6767 E. 276th Street
Atlanta, IN 46031

(317) 984-3508

July 21, 2003

Office of the Commissioner of Agriculture
Attn: USDA Block Grants on Specialty Crops and Promotion of Agriculture
ISTA Center, Suite 414
150 West Market Street
Indianapolis, IN 46204

Dear Kathy Altman,

On behalf of Hoosier Organic Marketing Education, we are submitting this final report that describes the purpose of the funds use, the activities that have occurred, and the detailed budget.

Please contact me if you need further details.

Sincerely,

Scott Beck
Beck's Hybrids

USDA Block Grant for Promotion of Agriculture

Final Report

Project: Promotion of Organic Seed and Farming Practices

Submitted by Beck's Hybrids on behalf of Hoosier Organic Marketing Education

July 2003

Executive Summary

The purpose of the program undertaken by Beck's Hybrids on behalf of Hoosier Organic Marketing Education (HOME) is the promotion of organic seed and farming practices. As a result, the funding from the USDA Block Grant for Promotion of Agriculture has been used, as outlined in initial proposal for funding, for the purposes of research, education, infrastructure development and regulation compliance. Within this final report, you will find a detailed summary of work accomplished broken down by topic, a program budget including narrative and an overview of the work completed. Beck's has also attached additional information such as a press release, newsletter article, and other relevant materials including the first quarter report filed with HOME within the appendix of this report.

1. Table of Contents

Program Statement

The goal of the proposal is to research viable production practices for organic farming, educate organic and non-organic producers on the premium opportunities, production methods, and certification requirements for organic production, and to develop the necessary infrastructure to ensure that organic farmers in Indiana have a source of organic seed varieties that work in Indiana.

Program Results

Research

Four research plots used to identify performance of biological seed treatments were successfully planted, cared for, and harvested. The purpose was to identify biological seed treatments that can assist organic farmers in managing disease pressures. Seednique, YieldShield, and T-22 were three of the products tested. Some plots compared these biologicals with traditional chemical fungicides. Data was collected during the summer and at harvest and reports completed.

Plots were shown to those who attended the four day Field Show (Approx. 7,000 in attendance. Research results were reported in a plot summary book (over 30,000 copies made).

Research results from each of the four tests are shown in Appendix 1.

In addition to these plots already completed, a wheat test plot was sown on October 9 in the designated organic area. This research will also look at the effect of using T-22 as a biological seed treatment fungicide. Results will be gathered by mid-July when wheat is harvested.

Outreach and Education

To provide awareness of the rising organic market and the opportunities available for local farmers to capture the premiums available with organic seed production, a news release was prepared and sent to three major farm newspapers in August 2002.

See Appendix 2 for content of news release.

To provide a broad exposure to many farmers in Indiana and surrounding states who are unfamiliar with organic farming methods, Beck's mailed invitations to approx. 200,000 residences for a four-day event September 5-8 where organic production practices were shown and discussed as a part of one of twelve tours. Approx. 1,000 producers were exposed to the organic plots and information was presented regarding general attributes of organic production methods.

A follow-up organic educational event (Organics on the Road) was held December 5 where approximately 30 people attended. Some were organic farmers, ag industry people, as well as those looking to start organic farming. The success of the day was

evident by the broad range of interests represented by the attendees as well as the broad range of topics discussed: Marketing, Production, Regulation and Certification, and Organic Seed Availability.

Presenters included:

Cissy Bowman, Hoosier Organic Marketing Education
Mark King, Organic Inspector and Consultant
Kevin and Juli Brussel, Midwest Organic Farmers Cooperative
Reginald Destree, Organic Consultant with the Dramm Corporation
John Brunquill, Egg Innovations
Scott Beck, Great Harvest Organics
David Booher, Great Harvest Organics

At the meeting, a survey was taken of those in attendance and letter was sent to each attendee along with a list of those in attendance for future networking purposes.

The newly formed seed division, Great Harvest Organics, exhibited at the ACRES conference in December and the Indiana Horticulture Congress in January to educate and expose growers to the local supply of organic seed. To further educate organic farmers, mailings were sent to organic farmers describing the organic seed products and types that have been identified to work well in organic conditions locally.

A newsletter article that promotes the organic system and informs farmers of the premiums that can be obtained through producing organic products was printed and distributed to approximately 15,000 farmers in February 2003. See Appendix 3 for newsletter article.

Development of Infrastructure

In order for Indiana farmers to have a good local source of organically produced seed corn, soybeans, wheat and alfalfa that are adapted to this region, Beck's took necessary steps to develop the infrastructure to ensure that this supply would be available. Alliances were formed with companies already involved in organics to ensure a successful entry into the organic marketplace: Clarkson Grain and Ojai Organics were two of those companies. An outside consultant, Rod Crossley, owner of Crossley Consulting, was also hired to further assist management personnel in making organically certified seed available to local farmers. The goal and necessity of this infrastructure development is to allow organic farmers to have an adequate supply of organic seed available to plant in the 2003 planting season. To ensure this supply, Beck's identified and selected producers of organic seed in Indiana, Illinois and South America. The South American production was necessary due to the limited time available to prepare for the 2003 season.

To make seed available locally, a new brand, Great Harvest Organics was created.

Allocation of facilities, office equipment, fees, overhead costs associated with development of infrastructure was made by Beck's.

To successfully identify genetic qualities and plant characteristics that are important to organic producers, market research via fax, phone, and email was conducted to assist in product selection.

During the fall season, literature and harvest data results were mailed to organic producers to educate them regarding product performance of the products that were available organically.

To further expand the availability of information, a website was developed that provides information on organic seed products that are adapted for Indiana and can be obtained locally. www.greatharvestorganics.com is the web address.

Program Need

Indiana is currently lagging behind other states in the number of organic farmers (there are currently only about 40-50 in the state). Our objectives are to test and find products that work in an organic production environment, to look for alternative sources of seed treatments and other amendments that can replace synthetic fungicides, to educate and promote organic farming, and to ensure ample supplies of organic seed.

Program Need Currently Viewed

As we have continued in the project, it became evident that the need for organic seed in varieties that are adapted to the Indiana and surrounding regions is still a pressing need. Certifiers are likely to become more aggressive in enforcing the rule (National Organic Program; Final Rule section 205.204) that states that a farmer must use organic seed if it is available. For this reason, it is evident that seed supply of adapted varieties is a critical issue.

It has also become more evident that there is a push for breeding companies to begin using organic methods and practices for developing parent seed. This issue is more complex than what companies have been able to do so far in providing untreated seed. It will require several years to breed for and develop competitive varieties using organic methods. The concern is that there has not been any breeding companies that we have talked with who are interested in pursuing the use of organic methods in their breeding and development programs. We have contacted: Holden Foundation Seeds, MBS Genetics, LLC, Seed Genetics, Inc., and Illinois Foundation Seeds, Inc.

Budget Review - See Appendix 6 for complete budget

As the project developed, it became evident that more expertise was needed beyond the present management to successfully develop the infrastructure and conduct the research using organic production methods. Therefore, out of the $28,800 costs originally allocated for management, a portion ($4185) was utilized by referring to consultants (Clarkson Grain, Ojai Organics, and Crossley Consulting) that were contracted to provide the needed information to assist managers with the development of the project.

A portion of the $10,000 that was also budgeted for the Field Show promotion of organics were also more accurately allocated to infrastructure development. $5,000 of this original amount was used to cover a portion (10%) of the seedstock, freight, and production costs to ensure a local supply of adapted varieties for Indiana farmers.

There was also a reassessment of the $2,500 that was budgeted for hosting an organics educational event. The program was scheduled later in the year than originally anticipated, and as a result there were no plot tours conducted during the December 5 meeting. Therefore, $1000 was utilized for making research data and information regarding product availability accessible to organic farmers following the harvest season. The venue for this activity was the ACRES conference held in Indianapolis at the Adams Mark Hotel on December 12-14 as well as a post-harvest mailing of research data. In addition, it was recognized that there was no need to allocate $1,500 to HOME for grant administration, since their fees were covered by another means. This $1,500 was utilitized for lab testing results to ensure seed quality and to measure for GMO traits in the organic seed lots.

Services for first 6 months:

Management & oversight for first 3 months:	$7,200.00
second 3 months:	$3,000.00
Management consultant fees for 6 months:	$4,185.00
10% of total organic seed production pre-payments	$4,302.00
Approx. 10% of total seed stock/frt. Costs	$5,000.00
Development of Great Harvest brand & logo	$2,000.00
Outreach & Education	$5,000.00
Research data collection & publishing	$1,000.00
HOME Organics on the Road conference	$1,500.00
ACRES Conference, Indianapolis	$1,000.00
	$34,187.00

Services for second 6 months:

Management & oversight:	$5,000.00
Seed testing fees:	$1,500.00
Newsletter article (promotion of organic):	$1,500.00
Contractual services with local processor (Harger Farms) to clean, bag and ship seed and develop organic cleaning protocols	$2,113.00
	$10,113.00
Total Service Fees Utilitized:	**$44,300.00***

*** $14,630.00 is yet to be received when final grant distribution is made.**

Activities during final six months:

The final six months of the project was largely focused on fulfilling the expectations of organic producers. Budgeted items included additional management, administration and oversight to ensure that organic producers received their seed and were serviced properly. Developing proper organic protocols for processing and handling of the organic seed

products with local processors (Gary Reding, Greensburg and Harger Farms, Noblesville). Additional promotion of organic farming methods was conducted in February in the form of a newsletter article that reached approximately 15,000 homes. This article promoted agricultural opportunities for farmers desiring additional premiums for their crops.

Locating of organic growers for seed was done in March, April and May. This proved to be more difficult than anticipated, but we did find a local source for soybean seed production. We identified one local grower who is planning to certify their farm and agreed to cooperate with us for organic research of seed and treatments.

Preparation and planting of test plots was done in April and May. See Appendix 4 for plot layout which shows organic hybrids and natural seed treatment products being tested.

Appendix 1

ORGANIC RESEARCH STUDY ON SOYBEANS – 2002

Location:	300-7B	**Previous Crop:**	Corn
Planted:	May 28, 2002	**Tillage:**	Disc / V-Rip / Field Cultivator
Harvested:	October 8, 2002	**Herbicide:**	None
Rows:	Two 30" rows	**Fertilizer:**	None
Population:	125,000 seeds/A.	**Cow Manure:**	10 Ton/A.

Purpose: Organic production systems can provide farmers with additional premiums for their crops and livestock. Farmers who devote a portion of their acres to organic practices learn the value of diversified crop rotation that many farmers discovered and practiced years ago. Since synthetic seed treatments are prohibited from being used in organic production, we tested T-22, a biofungicide that is approved for use in organic production.

Summary: Results showed nearly equal yields between the three traditional soybean varieties treated with T-22, versus the same varieties untreated. Even with the additional weeds, which we eventually removed by hand, this highly productive soil produced yields as high as 58.4 bushels per acre with the plot average being 56.0 bushels per acre. Two Roundup Ready varieties were planted in an adjacent plot on May 29 and averaged 74.3 bushels per acre. The higher market prices for the organically produced soybeans still could make them the higher value crop in this case if the organic prices were over $7 per bushel, which is highly probable. This comparison does not take into account variable weed control costs associated with organic production methods, since the primary method is tillage and cultivation, supplemented by hand labor.

This plot simulates organic production methods, but is not officially certified as organic since there is a 3-year transition period required.

ORGANIC RESEARCH STUDY ON CORN – 2002

Location:	300-7C, 7D	**Previous Crop:**	Corn and Pasture
Planted:	May 28, 2002	**Tillage on C-A-C:**	Disc / V-Rip / Field Cultivator
Harvested:	October 8, 2002	**Tillage on Pasture:**	Roto-Tiller
Rows:	Four 30" rows	**Herbicide:**	None
Population:	28,000 seeds/A.	**Fertilizer:**	None
		Cow Manure:	10 Ton/A.

Purpose: Organic production systems can provide farmers with additional premiums for their crops and livestock. Farmers who devote a portion of their acres to organic practices learn the value of diversified crop rotation that many farmers discovered and practiced years ago. This study shows how the average yields of six hybrids compare in a corn-after-corn environment vs. corn following several years of pasture.

	Harvested Population	Test Weight	Percent Broken Stalks	Percent Moisture	Bushels* Per Acre
Corn After Pasture	21,833	55.6	1.2	20.2	207.3
Corn After Corn	22,667	55.7	1.1	18.5	162.4

*Bushels per acre corrected to 15.5% moisture.

Summary: Crop rotation is a necessity, not just a beneficial practice when following organic production methods where no synthetic chemicals, fungicides, or fertilizers are used. This plot simulates organic production methods, but is not officially certified as organic since there is a 3-year transition period required.

SOYBEAN STUDY COMPARING SYNTHETIC VS. BIOLOGICAL TREATMENTS - 2002

Location: D1 plot
Planted: April 17, 2002
Harvested: September 13, 2002
Rows: 7.5" rows
Replications: Two (averaged)

Seeding Rate 200,000 seeds/A.
Previous Crop: Corn
Tillage: Moldboard Plow
Herbicide: Post: 1.0 qt. Roundup Ultra Max

Purpose: Biological seed treatments offer farmers and seed companies some benefits that traditional fungicides do not. Some biological treatments can be used in organic food production. Seed companies can also dispose of "biological treated" carryover seed through normal grain channels. Synthetic fungicides disqualify the seed from being used for food or feed purposes. This study compares biological fungicides to synthetic and SoyGard (a product that contains natural and synthetic fungicides).

	Bushels Per Acre					2002 Stand Counts		
	Sure Gro	Seednique	YieldShield	Untreated	SoyGard	Treatment	Population	3 Yr. Avg.
BECK 336NRR	59.8	61.9	59.2	62.6	60.2	Sure Gro	129,000	159,000
BECK 306NRR	54.6	51.9	52.4	51.9	52.3	Untreated	125,000	160,000
AVERAGE	57.2	56.9	55.8	57.3	56.3	Seednique	117,000	149,000
						YieldShield	115,000	152,000
Three Year Avg.	62.8	61.9	61.5	61.3	N/A	SoyGard	111,000	N/A

Note: The three-year average consists of results of BECK 306NRR (2002), BECK 352RR (2000 & 2001) and BECK 336NRR (2000, 2001 & 2002).

Sure Gro: Contains Maxim XL (Maxim and Apron XL) which are systemic fungicides from Syngenta Crop Protection, thiram, PCNB, red colorant, polymer coating, and brightener.

Seednique: Biological seed treatment and inoculant from Biogenesis Systems, Inc.

Contents: Plant proteins, carbohydrates, amino acids, and naturally occurring plant growth promoting substances, which enhance crop yields, quality and vigor. Specialized, preselected, adapted indigenous soil microbes, bio-organic catalysts and microbial growth stimulants.

Special thanks to Hal Brown of Rossville, IN who provided Seednique.

YieldShield: A non-colored biological seed treatment concentrate powder (Bacillus pumilus) from Gustafson.

SoyGard: A Gustafson treatment that contains a natural product (azoxystrobin) and a chemical product (Apron).

Summary: The three-year results indicate that Beck's Sure Gro treatment has provided the highest yields, followed closely by Seednique. YieldShield is currently under EPA experimental use permit and hasn't received its label as of October 2002.

Population results from this year show that untreated seed emerged nearly as well as Sure Gro. Three days of good weather following the April 17 planting provided good germination conditions for all seed. Cool, wet weather during most of the next 3-4 weeks reduced stands of all beans (119,400 seeds/A. average) regardless of the treatment used. Population differences between the treatments for the three-year average only amount to 11,000 plants per acre.

Cost Analysis: Beck's Sure Gro cost of $2.75 per 50 lb. unit gives an average cost per acre of $3.79 (given an average seed size of 2,900 seeds per pound). A 0.7 bushel per acre increase in yield over untreated seed will provide a break-even situation. Our three-year average for this test shows a 1.5 Bu./A. advantage for Sure Gro compared to untreated seed, which gives an additional net profit of $4.20 per acre if the soybean market price is $5.25 per bushel.

The cost of Seednique is $5.50 per ounce and an ounce treats 100 lbs. so the cost per 50 lb. unit is also $2.75. On average, the Seednique has provided a break-even scenario over the past three years.

NITROGEN RATE & T-22 BIOFUNGICIDE STUDY - 2002

Location:	E1, E2 plots	**Previous Crop:**		Soybeans
Planted:	April 19, 2002	**Tillage:**		V-Rip / Field Cultivator
Harvested:	October 5, 2002	**Herbicide:**	PPI	2.1 qts. Bicep II Magnum
Rows:	Two 30" rows			1 qt. Princep
Population:	28,800 seeds/A.	**Insecticide:**		Aztec

RAINFALL	
April	3.9 in.
May	8.0 in.
June	4.6 in.
July	2.8 in.
August	4.1 in.
Total	23.4 in

Purpose: This plot compares hybrid response to three rates of nitrogen. We are also testing the T-22 biological seed treatment to measure its affect on maturity, yield, and response to different N rates being applied.

Brand-Hybrid	Harvested Population	Test Weight	Percent Broken Stalks	Percent Mois.	Average Yield** Bu./A.	Bu./A.* + or – Plot Average 100# N	140# N	180# N
BECK EX 0256	26,000	55.0	3.9	24.7	174.4	-1.6	-14.7	+16.3
BECK 5515	27,333	55.7	2.3	20.7	164.2	-11.1	-18.7	+29.7
BECK 5727	25,500	57.3	2.0	20.9	158.5	-6.7	-5.6	+12.3
BECK EX 0255	26,333	56.0	5.7	21.7	156.9	-12.1	-5.9	+18.1
BECK 5366	26,833	55.5	1.9	18.8	156.8	-2.4	-19.9	+22.4
BECK 5166	26,500	55.8	2.4	17.7	154.9	-1.4	-13.7	+15.1
BECK 6262	27,167	56.3	0.0	20.1	154.0	-9.9	-1.0	+11.0
BECK 7997	23,833	53.3	0.0	24.5	152.9	-7.3	-2.0	+9.2
BECK 5322	28,500	55.0	2.8	20.1	152.2	-6.3	-17.5	+23.9
BECK EX 1187	26,333	54.0	3.1	20.6	152.1	-16.7	-12.1	+28.7
BECK 5012	27,333	56.8	0.6	17.3	151.4	-13.8	+6.8	+7.0
BECK EX 0273	25,667	57.2	2.5	20.1	151.3	-13.7	-13.9	+27.8
BECK EX 0272	25,167	56.0	2.0	20.5	149.0	-8.2	-16.0	+24.2
BECK 5229	27,667	55.5	0.0	18.5	148.2	-4.5	-1.0	+5.6
BECK 5449 with T-22	27,167	55.3	0.0	19.1	148.0	-10.0	-3.4	+13.4
BECK 5449	26,500	55.7	1.3	19.1	147.8	-9.4	-5.0	+14.4
BECK 5422	27,167	54.7	2.5	20.6	143.9	-9.8	-10.1	+20.0
BECK 5827	24,833	57.3	2.0	20.3	140.3	-8.2	-3.5	+11.7
BECK EX 0195	26,500	54.3	0.7	19.8	138.7	-5.0	-9.8	+14.8
BECK 5959	23,167	54.3	1.5	20.2	136.0	-1.5	-8.3	+9.7
AVERAGE	26,275	55.6	1.9	20.3	151.6			

Nitrogen Rate	Averages of all hybrids at each Nitrogen rate.					Two Year Average
100 lbs. N.	26,350	55.3	1.3	19.8	143.6	168.7
140 lbs. N.	25,800	55.4	1.5	20.1	142.8	176.7
180 lbs. N.	26,675	56.0	0.0	20.9	168.3	189.0

*Bushels per acre corrected to 15.5% moisture.
**Average yields of all three nitrogen rates.

Summary: The two year average for this study shows what we have previously found: nitrogen rates between 140 lbs. to 180 lbs. are typically the necessary rates for optimum yields, and 140 lbs. can sometimes be as effective as 180 lbs. as it was in the 2001 test. This year, 140 lbs. was not as effective as 180 lbs: all hybrids but Beck 5012 showed a yield decrease at 140 lbs. compared to their average yield, whereas, all hybrids but two in last year's test showed a yield increase compared to their average yield in the 140 lb. rate area. Several hybrids also showed a 20+ bushel yield response to 180 lbs. this year. Most of these hybrids have the flex-length ear type. We also received 8 inches of rain in May which may have caused significant loss of the pre-applied nitrogen thereby giving the 180 lb. rate a greater advantage since it was side dressed with 80# N. Last year, Beck 5229 and 5959 had the highest yield increases at the 180 lbs. rate, which was opposite of how we expected them to respond. This year, they showed more consistency in yield at all rates of nitrogen.

The Beck 5449 with T-22 showed earlier maturity and less firing of the lower stalk and leaves during dry weather stress at the time of pollination, especially where we only applied the 100 lb. total N rate (no side dress). However, the final yield results showed no significant advantage where we had used the T-22.

Appendix 2

For Immediate Release
August 2, 2002

For more information:
Contact **Scott Beck**
1-800-937-2325

Indiana Seed Company Opens Organic Seed and Research Division

Atlanta, IN.- According to the Organic Trade Association, consumer demand for organic products has been growing at a rate of 20-30% for the past ten years. Research findings on the organic market indicate that in the supermarket, organic food products may sell for 20-35% more than non-organic food products. These higher premiums often filter all the way back to the farmer who produces it. Organic soybean farmers typically receive $7.50 - $18.00 per bushel and organic corn farmers receive on average $3.00 – $3.75 per bushel.

There are approximately 8,000-9,000 certified organic farmers in the U.S. according to the Organic Farming Research Foundation. It is estimated that organic row-crop farmers account for about half of the total number of organic farmers. A breakdown by states shows that there are approximately 800 in Iowa, 550 in Michigan, 500 in Minnesota, 350 in Ohio, 200 in Wisconsin, 200 in IL, but only 40 in Indiana.

These statistics have grabbed the attention of an Indiana seed company, Beck's Hybrids. Beck's Hybrids of Atlanta, Indiana has formed a new division within their existing seed business. The new division will operate independently of Beck's existing seed business under the name of Great Harvest Organics. Organic seed corn, soybeans, and wheat will be offered through the Great Harvest Organics brand name.

Beck's observed that organic farming is a niche that many Indiana farmers could potentially profit from if they had the right information and availability of the right seed varieties. Many Indiana farmers could benefit from local research, education and availability of adapted seed varieties to use in organic farming methods to reap the benefits of this system that a growing number of consumers are demanding.

To assist in the research and education of Indiana farmers, Hoosier Organic Marketing Education (HOME) has partnered with Great Harvest Organics to offer research and educational opportunities. In 2002, Great Harvest Organics has a testing area for the research and promotion of organic farming practices and will coordinate their efforts with Hoosier Organic Marketing Education (HOME). Furthermore, Beck's, the parent company of Great Harvest Organics have already been involved with the testing of biological seed treatments since 1997. These products may offer organic producers the edge they need in controlling or suppressing diseases without the use of chemical fungicides.

One of the unique aspects of organic farming is that the larger margins on the organic products allows the co-existence of both the small family farmer, and the larger more progressive farmer who wants to manage a larger land base. With organic farming, there are opportunities for both groups to earn larger profits. Organic farming simply creates one more niche where small family farmers have an opportunity to obtain higher premiums and keep their operations viable.

The cooperation between Great Harvest Organics and HOME is also important because of organic certification rules that require land to be free from the use of synthetic fertilizers and chemicals for three years prior to being classified as organic. The final implementation of the USDA rule

which goes into effect on October 21, 2002 reinforces the urgent need for Indiana farmers to be informed and have organically produced seed available for 2003. The rule requires that organically certified growers use organic seed when it is commercially available, but allows them to use non-organic seed when a comparable organically produced variety is not commercially available. On January 1, 2004 however, the European Union will require that organic products be produced from organic seed. It is understood that the EU will allow no exceptions, so organically produced seed must be used for our organic products going into Europe. This legislation creates an urgent need for farmers to be informed regarding the potential premiums that organic farming offers, so some can begin the organic production methods.

The beauty of the organic system is that most organic farmers agree that the best way to begin organic farming is with a portion of their acreage base. Once the details of how to manage this new system are learned, the acreage can be expanded.

Hoosier Organic Marketing Education and Great Harvest Organics are planning a seminar later this fall to inform farmers interested in the latest rules and regulations regarding organically certified production methods. For information regarding organic seed and information contact David Booher at Great Harvest Organics, Atlanta (317) 440-9964 or Cissy Bowman at Hoosier Organic Marketing Education, Clayton, IN. (317) 539-4317.

Appendix 3

front counter news

The past few weeks have been a little chilly across most of our marketing area, which is a change from the past two winters. The conversations we have had with customers for the past two springs have mentioned the warm winters, and the resulting increase in insects that we attribute to those "warm" winters. I have heard comments from people this year that this cold weather has been good to "get rid of some bugs." We will find out if that has any truth to it as we see the warm up this spring. The snow cover has also helped in protecting the wheat crop for many growers.

Here at the front counter, we have a new addition. If you have called in lately, you may have noticed a new voice. Steve Gauck has been helping out during the shipping season. Steve has a background in agriculture, growing up on a family farm, as well as having experiences in the field as a sales representative in the chemical and seed industries for 3 years. Steve also has his CCA. Steve will be with us at the front counter for the next couple of months. When you call in for sales or agronomic advice, you will be able to talk with Steve, as well as Jim or me.

The cold weather has not stopped our area dealers from coming to the plant to pick up seed. We have seed leaving the plant for all parts of our marketing area on a daily basis. If you have any questions with your order, or would like early delivery of your seed, feel free to call your area dealer or us at the front counter.

Tim Newcomb

Tim Newcomb, CCA
Sales Consultant

Organic Production = Additional Premium$

According to the Organic Trade Association, consumer demand for organic products has been growing at a rate of 20-30% for the past ten years. Research findings on the organic market indicate that in the supermarket, organic food products may sell for 20-35% more than non-organic food products. These higher premiums often filter all the way back to the farmer who produces it. Organic soybean farmers typically receive $7.50 - $18.00 per bushel and organic corn farmers receive on an average $3.00 – $3.75 per bushel.

There are approximately 8,000-9,000 certified organic farmers in the U.S. according to the Organic Farming Research Foundation. It is estimated that organic row-crop farmers account for about half of the total number of organic farmers. A breakdown by states shows that there are approximately 800 in Iowa, 550 in Michigan, 500 in Minnesota, 350 in Ohio, 200 in Wisconsin, 200 in IL, and 40 in Indiana.

Most organic farmers agree that the best way to begin organic farming is to do so on a portion of ones acres. For farmers interested in learning more about organic farming production methods and the requirements for becoming organically certified, contact Hoosier Organic Marketing Education (HOME), Cissy Bowman (317) 539-4317. HOME is providing educational forums that will assist farmers who are interested in organic production methods. These forums are made possible by financial assistance from "Indiana's Office of the Commissioner of Agriculture, USDA Block Grants on Specialty Crops and Promotion of Agriculture."

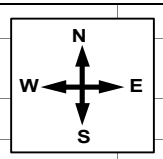
Most of you see our facilities during the Pre-Harvest Field Show Days in September while everything is still lush and green. Here's a photo of the facilities covered in winter's blanket.

Photo Permissions

Table on page #4 used by permission granted from University of Minnesota Agronomy Department

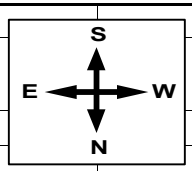
All other photos are the sole property of Beck's Hybrids

Appendix 4

North to South			Planted: 4-24-03			Tillage: Roto-Tilled 2X						
	2003 Organic Corn - 300-7A					Manure applied and AER mix applied in April prior to planting						
	4 rows/plot		Harvested:									
			Population: 30,000									
					%		Test	Stalk	Plant	Ear	Root	
	Hybrid		Exp No.	Yield	Mois.	Pop	Wt.	Lodge	Ht	Ht	Lodge	Notes
1	41X2											
2	44X2											
3	43V6											
4	56V6											
5	60K9											
6	61K9											

South to North | Planted: 5-24-03

2003 Organic Beans - 300-7C



4 rows/plot | Harvested:

Population: 145,000

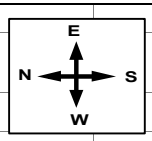
	Variety		Exp No.	Pop.	Yield	% Mois	Lodging	Plant Ht.	Pod Ht.	Rel. Mat.	Notes
1	Beck 359		026274								
2	Beck 299N		026268								
3	Beck 288		016119								
4	GH 257										Untreated
5	GH 257										Actinovate
6	GH 257										Seednique

Organic Alfalfa Plot – 300-7D

Seeded by hand on May 23, 2003 by Dave Booher and then cultimulched in.

East to West | Planted: 5-23-03

2003 Organic Corn/BioSeed Guard Study - Pickett



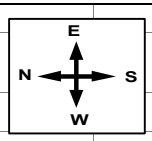
2 rows/plot | Harvested: | Tillage: Manure applied in Spring; Spring Plow; Disk; S-tine

Population: 32,500

	Hybrid		Additives	Yield	% Mois.	Pop	Test Wt.	Stalk Lodge	Plant Ht	Ear Ht	Root Lodge	Notes
1	41X2		UT									
2	41X2		UT									
3	41X2		UT									
4	41X2		BSG									
5	44X2		UT									
6	44X2		BSG									
7	43V6		UT									
8	43V6		BSG									
9	56V6		UT									
10	56V6		BSG									
11	60V6		UT									
12	60V6		BSG									
13	60K9		UT									
14	60K9		BSG									
15	61K9		UT									
16	61K9		BSG									
17	Beck 5727wx		UT									
18	Beck 5727wx		BSG									
19	Beck 5737CL		UT									
20	Beck 5737CL		BSG									
21	Beck 5229		UT									
22	Beck 5229		BSG									
23	41X2		UT									
24	41X2		BSG									

East to West | Planted: 5-23-03

2003 Organic Corn/BioSeed Guard Study - Pickett



2 rows/plot | Harvested: | Tillage: Manure applied in Spring; Spring Plow; Disk; S-tine

Population: 32,500

	Hybrid		Additives	Yield	% Mois.	Pop	Test Wt.	Stalk Lodge	Plant Ht	Ear Ht	Root Lodge	Notes
24	41X2		BSG									
23	41X2		UT									
22	Beck 5229		BSG									
21	Beck 5229		UT									
20	Beck 5737CL		BSG									
19	Beck 5737CL		UT									
18	Beck 5727wx		BSG									
17	Beck 5727wx		UT									
16	61K9		BSG									
15	61K9		UT									
14	60K9		BSG									
13	60K9		UT									
12	60V6		BSG									
11	60V6		UT									
10	56V6		BSG									
9	56V6		UT									
8	43V6		BSG									
7	43V6		UT									
6	44X2		BSG									
5	44X2		UT									
4	41X2		BSG									
3	41X2		UT									
2	41X2		UT									
1	41X2		UT									

Appendix 5

October 26, 2002

1st Quarter Report
Promotion of Organic Seed and Farming Practices

	Grant	In-kind Matching
I. Development of Infrastructure		
Seedstock costs/freight	$5,000	$ 47,750
Production pre-payments		143,100
Office equipment/computers		2,000
Mileage/travel		1,000
Membership fees		100
Overhead costs		2,000
Development of Great Harvest Organics brand, logo, etc.	1,000	1,000
II. Research		
Performed data collection and successful harvest of four research plots where the biological seed treatments, Seednique and T-22 were tested in corn and soybeans. Subsequent work will be to analyze data and publish results.	1,000	1,000
III. Outreach and Education	5,000	15,000
Perform outreach and create suitable format concerning a field education workshop for Indiana farmers. Hosted four day event Sept. 5-8 after sending out approximately 200,000 invitations, which included mention of an organic farming practices tours to be held at the event. This event provided exposure of organic production methods for corn, soybeans, and alfalfa to approximately 1,000 farmers, mostly from Indiana. A follow-up educational event with HOME is being planned for late November to provide additional education for organic farmers and farmers who may have gained a recent interest in organic farming methods.		
IV. Contractual Services for Infrastructure Development		
Management and oversight for 3 months.	7,200	7,200
	19,200	220,150

Appendix 6 Complete Budget	GRANT Original Budget	 6 Mo. Budget	Matching Funds Original Budget	 6 Mo. Budget	GRANT Final Budget	Matching Funds Final
Personnel						
Salaries and Wages			$17,250.00	$12,000.00		$17,250.00
Other (Explain)			$2,400.00			
Personnel Subtotal			**$19,650.00**	**$12,000.00**		**$17,250.00**
Fringe Benefits						
All			$4,900.00	$4,900.00		$4,900.00
Fringe Benefits Subtotal			**$4,900.00**	**$4,900.00**		**$4,900.00**
Travel						
Mileage (Not to exceed $0.28 per mile)			$5,000.00	$5,000.00		$7,500.00
Per-diem (Not to exceed $26 per day)						
Lodging						
Other (Explain)						
Travel Subtotal			**$5,000.00**	**$5,000.00**		**$7,500.00**
Equipment (Lease Only)						
Office Equipment			$4,000.00	$4,000.00		$4,000.00
Laboratory						
Educational			$1,000.00			
Photographic			$500.00	$500.00		$500.00
Computer			$2,000.00	$2,000.00		$2,000.00
Other (Explain)			$20,000.00	$20,000.00		$20,000.00
Equipment Subtotal			**$27,500.00**	**$26,500.00**		**$26,500.00**
Supplies						
Educational			$100.00	$100.00		$100.00
Film						
Copier Paper			$100.00	$100.00		$100.00
Small Tools & Equipment						
Other (Explain)						
Supplies Subtotal			**$200.00**	**$200.00**		**$200.00**
Contractual						
Services	$44,300.00	$34,187.00	$3,000.00	$229,572.00	$44,300.00	$250,136.00
Laboratory						
Cost-share						
Other (Explain)						
Contractual Subtotal	**$44,300.00**	**$34,187.00**	**$3,000.00**	**$229,572.00**		$250,136.00
Other						
Postage			$5,000.00	$3,563.00		$4,563.00
Telephone			$500.00	$250.00		$500.00
Printing & Binding	$900.00	$400.00		$6,771.00	$900.00	$7,547.00
Copies						
Other (Explain)	$3,450.00	$400.00	$3,100.00	$3,100.00	$3,450.00	$3,100.00
Other Subtotal	**$4,350.00**	**$800.00**	**$8,600.00**	**$13,684.00**	**$4,350.00**	**$15,710.00**
Totals	**$48,650.00**	**$34,987.00**	**$68,850.00**	**$291,856.00**	**$48,650.00**	**$322,196.00**